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CHAPTER XIII

BALANCE SHEET

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XIII. Balance Sheet

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List of Acronyms

CPC	Central Product Classification
IMF	International Monetary Fund
PIM	perpetual inventory method
SDR	special drawing right

XIII. BALANCE SHEET

A. Introduction

1. A balance sheet is a statement, drawn up at a particular point in time, of the values of assets owned and of the financial claims - liabilities - against the owner of those assets. A balance sheet may be drawn up for institutional units or sectors or for the total economy.

2. For an institutional unit or sector, the balance sheet provides an indicator of economic status - that is, the financial and non-financial resources at its disposal that are summarized in the balancing item net worth. For the economy as a whole, the balance sheet shows what is often referred to as national wealth - the sum of non-financial assets and net claims on the rest of the world.

3. The System's Balance Sheet completes the sequence of accounts, showing the ultimate result of the entries in the production, distribution and use of income, and accumulation accounts. As explained in the General Introduction to the Accumulation Accounts and Balance Sheets in <chapter X, The Capital Account>, the accumulation accounts record the changes in the value of assets, liabilities and net worth that take place during the accounting period. A basic accounting identity links the opening Balance Sheet and the closing Balance Sheet for a given asset:

(1) the value of the asset in the opening Balance Sheet;

plus

(2) the total value of the volume of the asset acquired, less the total value of the volume disposed of, in transactions that take place within the accounting period, with transactions in non-financial assets being recorded in the Capital Account and transactions in financial assets in the Financial Account;

plus

(3) the value of other positive or negative changes in the volume of the asset held (for example, as a result of the discovery of a subsoil asset or the destruction of an asset as a result of war or a natural disaster), with these changes being recorded in the Other Changes in the Volume of Assets Account;

plus

(4) the value of the positive or negative nominal holding gains accruing on the asset during the period resulting from a change in its price, with these being recorded in the Revaluation Account where they may be further decomposed into neutral holding gains that reflect changes in the general price level and real holding gains that reflect changes in the relative prices of assets;

is identical with

(5) the value of the asset in the closing Balance Sheet.

4. The existence of a set of balance sheets integrated with the flow accounts encourages analysts to look more broadly in monitoring and assessing economic and financial conditions and behaviour. Balance sheets provide information necessary for analysing a number of topics. For example, in studies of the factors determining household behaviour, consumption and saving functions have often included wealth variables to capture the effects of such factors as price fluctuations in corporate securities or the deterioration and obsolescence of stocks of durable consumer goods on households' purchasing patterns. Further, household balance sheets are needed in order to assess the distribution of wealth and liquidity.

5. For corporations, balance sheets permit the computation of widely used ratios that involve data on the level of the item. Banks and other financial institutions, for example, observe specific reserve ratios. Non-financial corporations also pay heed to certain ratios - for instance, current assets in relation to current liabilities and the market value of corporate shares in relation to the adjusted book value. Data on the stocks of fixed assets owned by corporations, as well as by other institutional units, are useful also in studies of their investment behaviour and needs for financing.

6. Balance sheet data on the mineral deposits, land and similar natural resources owned by the institutional units in the economy are of interest for monitoring the availability and exploitation of these resources and for formulating environmental policies. Balance sheet data on the level and the composition of tangible and financial assets also are of considerable interest as indicators of the economic resources of a nation and for assessing the external debtor or creditor position of a country.

7. Stocks of fixed assets are used in the analysis of production and productivity. For this purpose, however, data are needed for industries, rather than for institutional sectors. The System provides for capital stock data by industry, as described in <chapter XV, Supply and Use Tables and Input-Output,> as part of the use table.

1. Structure of the account

8. As do the accumulation accounts, the Balance Sheet records assets on the left, and liabilities and net worth on the right. In table XIII.1 Account IV: Balance Sheets, two categories of non-financial assets are distinguished: Produced assets, which have come into existence as outputs from production processes, and non-produced assets, which either are naturally occurring or are devised by man outside the production boundary. A more detailed balance sheet can be derived, using the full detail of the classification of assets, which is given in the annex to this chapter.

9. In addition to non-financial assets, the Balance Sheet also includes financial assets and liabilities. Most financial assets are matched by a liability; they come into existence by the establishment of a claim on another institutional unit. However, financial assets also include monetary gold, special drawing rights (SDRs) of the International Monetary Fund (IMF), shares in corporations (which their holders treat much the same as financial claims) and certain financial derivatives; there are no liabilities outstanding with respect to monetary gold and SDRs, while the System treats both shares and these derivatives as liabilities by convention.

10. The balancing item in the Balance Sheet is net worth, which is defined as the value of all the non-financial and financial assets owned by an institutional unit or sector less the value of all their outstanding liabilities. Changes in net worth can thus only be explained by examining the changes in all the other items that make up the Balance Sheet.

11. A balance sheet relates to the values of assets and liabilities at a particular moment of time. The System provides for balance sheets to be compiled at the beginning of the accounting period (effectively the same as the end of the preceding period) and at its end. The System then provides for a complete recording of the changes in the values of the various items in the Balance Sheet between the beginning and end of the accounting period - that is, over the same time period as that to which the flow accounts of the System relate. The recording of the changes between Balance Sheets is discussed in section C. below.

2. Main categories of assets: Their scope and their characteristics

12. An economic asset, as described in the General Introduction to the Accumulation Accounts and Balance Sheets <paragraph 2 of chapter X, The Capital Account> is an entity functioning as a store of value:

- over which ownership rights are enforced by institutional units, individually or collectively;

- and from which economic benefits may be derived by its owner by holding it, or using it, over a period of time.

The economic benefits consist of primary incomes derived from the use of the asset and the value, including possible holding gains/losses, that could be realised by disposing of the asset or terminating it.

13. The coverage of each asset category is set out in the annex to this chapter. The discussion that follows here only sketches the content of the categories of assets and liabilities in the Balance Sheet.

a. Non-financial produced assets

14. Produced assets are non-financial assets that have come into existence as outputs from production processes.

15. The classification of produced assets is designed to distinguish among assets on the basis of their role in production. It consists of fixed assets - buildings and other structures, machinery and equipment, cultivated assets and certain intangible assets - inventories and valuables. Fixed assets are used repeatedly or continuously in production. Inventories are used up in production as intermediate consumption, sold or otherwise disposed of. Valuables are not used primarily for production or consumption, but are instead acquired and held primarily as stores of value.

16. As explained in <<chapter X, The Capital Account, paragraphs 69-74>>, two kinds of durable goods used by producers - namely, small tools and certain kinds of military equipment - are excluded from gross fixed capital formation so that there are no corresponding fixed assets. In addition, transport equipment and other machinery and equipment acquired by households for final consumption are not considered fixed assets, although they are included in the memorandum item "consumer durables" in the Balance Sheet.

b. Non-financial non-produced assets

17. By definition, non-produced assets come into existence other than through processes of production. The classification is designed to distinguish assets on the basis of the way they come into existence. Some of these assets occur in nature; others, which may be referred to as constructs devised by society, come into existence by legal or accounting actions.

18. Tangible non-produced assets are natural assets - land, subsoil assets, non-cultivated biological resources and water resources - over which ownership may be established and transferred. The natural asset boundary in the System is determined, in compliance with the general definition of an economic asset, by whether the assets are subject to effective ownership and are capable of bringing economic benefits to their owners, given the existing technology, knowledge, economic opportunities, available resources, and set of relative prices. Environmental assets over which ownership rights have not, or cannot, be established, such as seas or air, are excluded.

19. Intangible non-produced assets include patented entities, transferable contracts, purchased goodwill, etc. Entities not evidenced by legal or accounting actions, actions such as the granting of a patent or the conveyance of some economic benefit to a third party, are excluded.

c. Financial assets and liabilities

20. Financial assets are entities meeting the general criteria for economic assets - that is, they are entities over which ownership rights are enforced by institutional units, individually or collectively, and from which economic benefits may be derived by their owners by holding them, or using them over a period of time - that differ, except for monetary gold and SDRs, from other assets in the System in that there is a counterpart liability on the part of another institutional unit.

21. The classification of financial assets and liabilities is designed to distinguish types of instruments according to the liquidity of the instrument and the legal characteristics of the instrument that describe the form of the underlying creditor/debtor relationship. On this basis, it distinguishes monetary gold and SDRs, currency and deposits, securities other than shares, loans, shares and other equity, insurance technical reserves and other accounts receivable/payable. A more detailed level of classification is recommended in the case of instruments for which information about the class of debtor or creditor is of particular importance analytically and is feasible to gather, such as liabilities to, and claims on, non-residents.

22. Two major exclusions should be noted. First, contingent assets or liabilities are treated as financial assets and liabilities only if the claim or liability is unconditional to both parties and/or the arrangement has an observable value because it is tradable. Otherwise, contingent assets or liabilities are not treated as financial assets or liabilities in the System, as discussed in <chapter XI, The Financial Account>. Second, sums set aside in business accounting to provide for transactors' future liabilities, either certain or contingent, or for transactors' future expenditures generally are not recognized in the System. (The only "provision" recognized in the System is accumulated allowances for the consumption of fixed capital.) Only actual current liabilities to another party or parties are explicitly included. When the anticipated liability becomes actual - for example, a tax lien - it is included.

3. Financial leasing

23. A financial lease is a contract between lessor and lessee whereby the lessor purchases the good and the lessee pays rentals that enable the lessor, over the period of the contract, to cover all, or virtually all, costs including interest. The System's treatment of financial leasing is designed to move away from the legal arrangements to provide a more economic interpretation. The transactions involved were described in <<chapter X, The Capital Account, paragraph 44, and in chapter XI, The Financial Account, paragraph 82>>.

24. In the System, goods under a financial lease - in practice, almost exclusively machinery and equipment - are treated as if purchased and owned by the user. The imputed acquisition of a fixed asset by the lessee is treated

as being financed by an imputed financial claim, classified as a loan. For example, if a bank leases a railway car to a railroad, at the time the railroad is assumed to take ownership of the railway car, the market value of the railway car is recorded as an asset in the balance sheet of the railroad, where the liability for the loan is also recorded. The loan appears as an asset in the balance sheet of the bank. Subsequent balance sheets reflect the value of the railway car less the accumulated consumption of fixed capital and the amount of the loan less the accumulated part of an imputed rental that is considered a repayment, in instalments, of the loan.

4. General principles of valuation

25. For the Balance Sheets to be consistent with the accumulation accounts of the System, a particular item in the Balance Sheet should be valued as if it were being acquired on the date to which the Balance Sheet relates, including any associated costs of ownership transfer in the case of non-financial assets. This implies that assets and liabilities (and thus net worth) are to be valued using a set of prices that are current on the date to which the Balance Sheet relates and that refer to specific assets.

26. Ideally, these prices should be observable market prices whenever such prices are available for the assets and liabilities in question. Prices at which assets may be bought or sold on markets are the basis of decisions by investors, producers, consumers and other economic agents. For example, investors in financial assets (such as securities) and tangible assets (such as land) make decisions in respect of acquisitions and disposals of these assets in the light of their values in the market. Producers make decisions about how much of a particular commodity to produce and about where to sell their output by reference to market prices. For a given asset, the price is the same for purchaser and seller, and, in the case of financial assets, for creditor and debtor.

27. When there are no observable market prices because the items in question have not been purchased/sold on the market in the recent past, an attempt has to be made to estimate what the prices would be were the assets to be acquired on the market on the date to which the Balance Sheet relates. In estimating the current market price for Balance Sheet valuation, a price averaged over all transactions in a market can be used if the market is one on which the items in question are regularly, actively and freely traded.

28. In addition to prices observed in markets or estimated from observed market prices, current prices may be approximated for Balance Sheet valuation in two other ways. In some cases, market prices may be approximated by accumulating and revaluing acquisitions less disposals of the asset in question over its lifetime; this generally is the most practical and also the preferred method for fixed assets, but it can be applied to other assets as well. In other cases, market prices may be approximated by the present, or discounted, value of future economic benefits expected from a given asset; this is the case for a number of financial assets, natural assets and

intangible assets. With good information and efficient markets, the values of the assets obtained by accumulating and revaluing transactions should equal, or at least approximate, both the present, or discounted, values of the remaining future benefits to be derived from them and their market values when active secondhand markets exist. These three price bases are discussed below in general terms.

a. Value observed in markets

29. The ideal source of price observations for valuing balance sheet items is a market, like the stock exchange, in which each asset traded is completely homogeneous, is often traded in considerable volume and has its market price listed at regular intervals. Such markets yield data on prices that can be multiplied by indicators of quantity in order to compute the total market value of different classes of assets held by sectors and of different classes of their liabilities. These market prices are available for nearly all financial claims, existing real estate (that is, existing buildings and other structures plus the underlying land), existing transportation equipment, crops, and livestock as well as for newly produced fixed assets and inventories.

30. For securities quoted on a stock exchange, for example, it is feasible to gather the market prices of individual assets and of broad classes of assets and, in addition, to determine the global valuation of all the existing securities of a given type. In some countries, another example of a market in which assets may be traded in sufficient numbers to provide useful price information is the market for existing dwellings.

31. In addition to providing direct observations on the prices of assets actually traded there, information from such markets may also be used to price similar assets that are not traded. For example, information from the stock exchange also may be used to price unquoted securities by analogy with similar, quoted securities, making some allowance for the inferior marketability of the unquoted securities. Similarly, appraisals of tangible assets for insurance or other purposes generally are based on market prices for items that are close substitutes, although not identical, and this approach can be used for Balance Sheet valuation.

b. Values obtained by accumulating and revaluing transactions

32. For some assets, initial acquisition costs are written off - amortized - over the asset's expected life. For this method, a pattern of decline must be chosen, and reference may be made to tax laws, accounting conventions, etc. The value of such an asset at a given point in its life is given by its current acquisition price less the accumulated value of these write-offs. This valuation is typically used for non-produced intangible assets, such as purchased goodwill and patented entities.

33. In addition, most fixed assets are recorded in the Balance Sheets at current purchasers' or basic prices written down for the accumulated consumption of fixed capital, a valuation frequently referred to as "written-down replacement cost." When fixed assets are valued in this way, the Balance Sheet values are consistent with the measures of consumption of fixed capital elsewhere in the System.

c. Present value of future returns

34. In the case of assets for which the returns either are delayed (as with timber) or are spread over a lengthy period (as with subsoil assets), although normal market prices are used to value the ultimate output, a rate of discount must, in addition, be used to compute the present value of the expected future returns. It is thus necessary to derive a capitalization factor from information about the market. The rate of discount and the capitalization factors should be derived from information based on transactions in the particular type of assets under consideration - forest lands, mines and quarries - rather than using a general rate of interest, such as one derived from the yield on government bonds.

d. Assets in foreign currencies

35. Assets and liabilities denominated in foreign currencies should be converted into the national currency at the market exchange rate prevailing on the date to which the Balance Sheet relates. This rate should be the mid-point between the buying and selling spot rates for currency transactions. Valuation when a multiple exchange rate system is in operation is discussed in <chapters XIV and XIX, on the External Sector and Application of the Integrated Framework to Various Circumstances and Needs, respectively>.

B. The Entries in the Balance Sheet

36. Definitions of the assets in the Balance Sheet at the most detailed level of the classification of assets are in the annex to this chapter. Definitions are repeated in this section only to the extent needed to provide the context for information on valuation specific to particular assets and other specialized topics, which is the focus of this section.

1. Produced assets

a. Fixed assets

(i) Tangible fixed assets

37. Tangible fixed assets include buildings and other structures (including historic monuments); transportation equipment and other machinery and equipment; and cultivated assets in the form of livestock and plantations of trees yielding repeat products, orchards, vineyards, etc.

38. In general, tangible fixed assets have to be recorded at current written-down values - that is, at the current purchasers' prices (or basic prices in the case of own-account production) of new assets written down by the accumulated consumption of fixed capital on the assets. Purchasers' costs of ownership transfer associated with these assets, appropriately written down, are included in the Balance Sheet values (see <chapter X, The Capital Account> for a numerical example). The common method of making these estimates is the perpetual inventory method (PIM), which is described in <chapter VI, Production Accounts and the Annex, Capital Stock and Consumption of Fixed Capital>. When the PIM is used, the value of the stock of fixed assets on a given date is based on estimates of fixed capital formation, classified by type of asset and year of acquisition, that have been accumulated (after deduction of the accumulated consumption of fixed capital) and revalued over a long enough period to cover the acquisition of all fixed assets in the stock in question. Where there exists an active market for a particular existing asset, the PIM calculation of consumption of fixed capital should take into account the observed market prices of secondhand assets when they are actively traded. <See chapter X, The Capital Account.>

39. Because dwellings are traded in the normal course of events, prices observed in the real estate market may also be used to supplement the valuation at written-down replacement cost. Markets for existing automobiles, aircraft, and other transportation equipment also may be sufficiently representative to yield useful market price observations to supplement the valuation at written-down replacement cost. For assets for which such current market prices exist, a valuation at these market prices should be shown as a memorandum item in addition to the current written-down value.

40. In the case of existing industrial plant and equipment, however, observed market prices may not be suitable for determining values for use in the Balance Sheets, however, because many of the transactions involve assets that for some reason are not typical - that is, they embody specialized characteristics, they are obsolete or they are being disposed of under financial duress.

41. Historic monuments are included in the Balance Sheets only when their significance has been recognized by someone other than the owner, as evidenced

by a sale. They should be valued at the most recent sale price, updated, if need be, by a general price index.

42. For Balance Sheet purposes, livestock (including fish) that continue to be used in production year after year should be valued on the basis of the current market prices for animals of a given age. Such information is less likely to be available for trees (including shrubs) cultivated for products they yield year after year; they should then be recorded at the current written-down value of the cumulative capital formation.

(ii) Intangible fixed assets

43. Mineral exploration should be valued either on the basis of the amounts paid under contracts awarded to other institutional units for the purpose or on the basis of the costs incurred for exploration undertaken on own account. That part of exploration undertaken in the past that has not yet been fully written off should be revalued at the prices and costs of the current period.

44. Computer software should be valued on the basis of the purchasers' price paid for the software or, in the absence of estimated market prices, on the basis of costs of production when produced in house. Software acquired in previous years and not yet fully written down should be revalued at current prices or costs (which may be less than the original price or cost).

45. Entertainment, literary or artistic originals and other intangible fixed assets should be valued at the purchasers' price when these intangible assets are actually traded on markets. In the case of intangible assets that have been produced on own account, it may be necessary to value them on the basis of their costs of production, appropriately revalued at prices of the current period and written down. Otherwise, it may be necessary to use estimates of the present value of the expected future receipts to be received by the owners of such assets.

b. Inventories

46. Inventories are goods and services held by producers that are intended for sale or use in production in a later period.

47. With respect to the time of recording, it should be emphasized that inventories produced as outputs or intended for intermediate consumption in production should be valued at the prices prevailing on the date to which the Balance Sheet relates, and not at the prices at which the products were valued when they entered inventory. In the Balance Sheets, figures for inventories frequently have to be estimated by adjusting figures of book values of inventories in business accounts, as described in <chapter VI, The Production Account>.

48. As is the case elsewhere in the System, inventories of materials and supplies and of goods for resale are valued at purchasers' prices, and inventories of finished goods and work in progress are valued at basic prices. For work-in-progress inventories, the value for the closing Balance Sheet can be calculated by applying the fraction of the total production cost incurred by the end of the period to the basic price realised by the finished product on the date to which the Balance Sheet relates. If the basic price of the finished product is not available, it can be estimated by the value of production cost with a mark-up for expected operating surplus or estimated mixed income, as explained in <<chapter X, The Capital Account, paragraphs 108-115>>. This approach can be used, for example, for partially completed construction works, machinery and equipment, software and architectural and design services with long production periods, which are included in work-in-progress inventories to the extent that no transfer of ownership to the intended user is deemed to have taken place. (Own-account production of fixed assets and fixed assets produced under a contract of sale/purchase agreed in advance are treated as gross fixed capital formation because the transfer of ownership to the intended user is deemed to have taken place.)

49. Growing single-use crops (including timber) cultivated by human activity and livestock being raised for slaughter are also counted as work-in-progress inventories. The conventional way of valuing standing timber is to discount the future proceeds of selling the timber at current prices after deducting the expenses of bringing the timber to maturity, felling etc. For the most part, other crops and livestock can be valued by reference to the market prices of such products.

c. Valuables

50. Valuables are items that are not used primarily for production or consumption, that are of significant value, that are expected to appreciate or at least not to decline in real value, that do not deteriorate over time in normal conditions, and that are acquired and held primarily as stores of value.

51. Given their primary role, it is especially important to value works of art, antiques, jewellery, precious stones and metals at current prices. To the extent that well organized markets exist for these items, they should be valued at the actual or estimated purchasers' prices that would be paid for them were they purchased on the market, including any agents' fees or commissions, on the date to which the Balance Sheet relates.

52. An approach in the absence of current market prices is to value these items using data on the values at which they are insured against fire, theft, etc., to the extent information is available.

2. Non-produced assets

a. Tangible non-produced assets

53. Tangible non-produced assets are assets that occur in nature and over which ownership rights have been established. Environmental assets over which ownership rights have not, or cannot, be established, such as the high seas or air, are excluded because they do not qualify as economic assets.

(i) Land

54. Land is defined in the System as the ground itself, including the covering soil and any associated surface waters over which ownership rights are enforced. Excluded are any buildings or other man-made structures situated on it or running through it; cultivated crops, trees and livestock; subsoil assets; non-cultivated biological resources and water resources.

55. The value of land includes the value of the stock of major improvements that cannot be physically separated from the land itself. Thus, although expenditures on land improvements are treated as gross fixed capital formation in the System, they do not lead to tangible assets that can be shown in the Balance Sheets separately from the land itself. Land is valued at its current purchasers' price, including written-down costs of ownership transfer.

56. Because the current market value of land can vary enormously according to its location and the uses for which it is suitable or sanctioned, it is essential to identify the location and use of a specific piece or tract of land and to price it accordingly. In a number of instances it may be difficult, if not impracticable, to separate the value of land from that of the buildings erected on it, because in the market for real estate, as well as in the accounting records of transactors, distinctions are often not made between the buildings and the land on which they stand.

57. For land underlying buildings, the normal method is to calculate ratios of the value of the site to the value of the structure from valuation appraisals and to deduce the value of land from the replacement cost of the buildings or from the value on the market of the combined land and buildings. In some instances, the market will furnish data directly on the value of the land. When the value of land cannot be separated from the building, structure, or plantation, vineyard, etc. above it, the composite asset should be classified in the category representing the greater part of its value.

58. It is usually much easier to make a division between land and buildings for the total economy than for individual sectors or sub-sectors. Separate figures are needed for studies of national wealth and environmental problems. Fortunately, combined figures are often suitable for purposes of analysing the behaviour of the institutions of a given sector.

(ii) Subsoil assets

59. Subsoil assets are proven reserves of mineral deposits located on or below the earth's surface that are economically exploitable given current technology and relative prices. Mine shafts, wells and other extraction sites are included with structures rather than with the subsoil asset.

60. The value of the reserves is usually determined by the present value of the expected net returns resulting from the commercial exploitation of those assets, although such valuations are subject to great uncertainty and liable to considerable revision. As the ownership of subsoil assets does not change frequently on markets, it may be difficult to obtain appropriate market prices which can be used for valuation purposes. In practice, it may be necessary to use the valuations which the owners of the assets place on them in their own accounts.

(iii) Other natural assets

61. Non-cultivated biological resources and water resources are included in the Balance Sheet to the extent that they have been recognized as having economic value that is not included in the value of the associated land. As observed market prices are not likely to be available, they are usually valued by the present value of the future returns expected from them.

b. Intangible non-produced assets

62. Intangible non-produced assets entitle their owners to engage in certain specific activities or to produce certain specific goods or service and to exclude other institutional units from doing so except with the permission of the owner. The owners of the assets may be able to earn monopoly profits by restricting the use of the assets to themselves. Included are patented entities, leases and other transferable contracts, and purchased goodwill.

63. Whenever possible, intangible assets should be valued at current market prices when they are actually traded on markets. Otherwise, it may be necessary to use estimates of the present value of the expected future returns to be received by the owners of such assets. For purchased goodwill, a valuation at acquisition cost less accumulated amortization is appropriate.

3. Financial assets/liabilities

64. In line with the general valuation principles described earlier, financial assets and liabilities should be valued at current market prices whenever they are regularly traded on organized financial markets, and they should also be assigned the same value in the Balance Sheets whether they appear as assets or liabilities. The prices should exclude service charges, fees, commissions and similar payments for services provided in carrying out

the transactions. Financial claims that are not traded on organized financial markets should be valued by the amount that a debtor must pay to the creditor to extinguish the claim.

a. Monetary gold and SDRs

65. Monetary gold is to be valued at the price established in organized markets or in bilateral arrangements between central banks. The value of the SDR is determined daily by IMF on the basis of a basket of currencies, and rates against domestic currencies are obtainable from the prices in foreign exchange markets; both basket and weights are revised from time to time.

b. Currency and deposits

66. For currency, the valuation is the nominal or face value of the currency. For deposits, the values to be recorded in the balance sheets of both creditors and debtors are the amounts of principal that the debtors are contractually obliged to repay the creditors under the terms of the deposits when the deposits are liquidated. Any margin payments related to options or futures contracts are included in other deposits.

c. Securities other than shares

67. In principle, short-term securities, and the corresponding liabilities, are to be valued at their current market values. In practice, they may be recorded at face or par values if market values are not available, even if they are issued and traded at a discount and redeemed at par. The longer the original maturity of a security issued at a discount, however, the less acceptable it becomes to value such a security at its face or par value. It is recommended, therefore, that the use of par values should be restricted to bills issued at a discount whose original maturities do not exceed three months and to short-term bills or bonds issued at par that carry a stated rate of interest.

68. As a general principle, long-term securities, and the corresponding liabilities, are to be valued at the current market prices of the securities when they are regularly traded on financial markets.

69. Long-term securities should always be valued at their market prices, whether they are bonds on which regular payments of interest are paid or deep-discounted or zero-coupon bonds on which little or no interest is paid. Although the nominal liability of the issuer of a long-term security may be fixed in money terms, the market prices at which fixed interest securities are traded may vary considerably in response to variations in general market rates of interest. As the issuer of a long-term security usually has the opportunity to refinance the debt by repurchasing the security on the market, valuation at market prices is generally appropriate for both issuers and

holders of long-term securities, especially financial transactors who actively manage their assets or liabilities. Deep-discounted and zero-coupon bonds should always be valued in the Balance Sheets at their current market values. When general market rates of interest fluctuate, the market value of such bonds may diverge significantly from their face or par values reduced by the remaining actual and/or imputed interest payments which are still due to be paid on them.

70. The treatment of derivatives is discussed in <chapter XI, The Financial Account.> Traded financial options, traded financial futures and warrants should be included in the Balance Sheets at market value, except where options exchanges operate a variation margin system. Depending on how margin systems operate, it may be appropriate to enter zero for the value of the option, as any profits (losses) will have been received (paid) daily by the holder. The counterpart of these asset entries should be entered as a liability.

71. Other financial options should be valued in the Balance Sheets as either the current value of the option, if this is available, or the amount of the premium paid. A liability should be entered in the sector of the writer of the option to represent, by convention, either the current value of buying out the rights of the option holder or the accrual of a holding gain.

d. Loans

72. The values to be recorded in the balance sheets of both creditors and debtors are the amounts of principal that the debtors are contractually obliged to repay the creditors when the loans mature.

e. Shares and other equity

73. Shares and other corporate equities should be valued in the Balance Sheets at their current market prices when they are regularly traded on stock exchanges or other organized financial markets. The value of shares in corporations that are not quoted on stock exchanges or otherwise traded regularly should be estimated using the prices of quoted shares that are comparable in earnings and dividend history and prospects, adjusting downward, if necessary, to allow for the inferior marketability or liquidity of unquoted shares. Equities in quasi-corporations may be valued in a similar manner.

74. Shares and other corporate equities are liabilities of corporations, and by valuing them at current market prices it is possible to arrive at the net worth of a corporation in the same way as for all other institutional units by subtracting the total value of all its liabilities - including equities - from the total value of its assets. Thus, even though a corporation is wholly owned by its shareholders collectively, it is seen to have an independent net worth (which could be positive or negative) in addition to the value of the shareholders' equity. Although, by convention, reinvested earnings of direct investment enterprises are considered to be distributed in property income and

subsequently reinvested, the net worth of those resident direct investment enterprises that are branches of non-resident enterprises, which are treated as quasi-corporations in the System, need not be zero. Direct investment enterprises may receive or pay capital transfers, incur holding gains/losses, etc., so that their actual change in net worth is not the same as the change in shares and other equity recorded in the Financial Account.

f. Insurance technical reserves

75. Insurance technical reserves consist of net equity of households on life insurance reserves and on pension funds, prepayment of premiums and reserves against outstanding claims. These reserves are invested in various other kinds of assets such as land, buildings, financial assets, valuables, and so on. The assets of which the reserves are composed are valued at their actual or estimated current market prices.

76. In the case of net equity of households on life insurance, the covered individuals have claims to the future payment of a capital sum on the occurrence of death, and it is possible to ascertain the present value of the individuals' actuarially determined claims to the payment of capital or income. This value is the liability of life insurance enterprises for reserves against outstanding risks, an amount that is counterbalanced by an equivalent amount of assets. In the case of with-profit insurance, the reserves include various types of gains distributed to the insured as deferred profits. The usual accounting practice of mutual insurance enterprises - that is, where the policy holders are the owners - is to transfer realized and perhaps unrealized capital gains to policy holders' reserves when they become large and are considered to be permanent.

77. In the case of net equity of households on pension funds, the covered individuals have claims to the future payment of income on the attainment of a specified age and/or period of coverage. The nature of liability of the funds - and asset of households - depends on the kind of pension plan.

78. Defined benefit pension plans are those in which the level of pension benefits promised to participating employees is guaranteed. Benefits are related by some formula to participants' length of service and salary and are not totally dependent on the assets in the fund. A case can be made that a defined benefit pension fund can have an independent net worth, positive or negative, if assets of the fund exceed or fall short of the fund's liability for the guaranteed benefits. Whether assets of the fund exceed the fund's liability for the guaranteed benefits - that is, if the plan is over-funded - or fall short the fund's liability - that is, if the plan is under-funded - there is some expectation that the situation will be temporary, typically by adjusting contributions. Further, national law, especially with respect to over-funding, varies with respect to the question to whom, employers or households, a surplus or short fall is to be attributed. The System, in this situation, allows a defined benefit pension plan to have an independent net

worth. The liability of a defined benefit pension plan is equal to the present value of the promised benefits.

79. Money purchase plans are those for which the level of contributions to the fund is guaranteed, but benefits are directly dependent on the assets of the fund. The liability of a money purchase plan is the current market value of the funds' assets.

80. The value of the prepaid premiums component of insurance technical reserves is determined on the basis of the proportion of the risks involved in relation to time for the time remaining on the contract - in other words, premiums paid less premiums earned, which are recorded as a transaction in the Financial Account. Reserves against outstanding claims are the present value of the amounts expected to be paid out in settlement of claims, including disputed claims.

g. Other accounts receivable/payable

81. Trade credit and advances and other items due to be received or paid (such as taxes, dividends, rent, wages and salaries, and insurance claims) should be valued for both creditors and debtors at the amount of principal the debtors are contractually obligated to pay the creditors when the obligation is extinguished. Interest accruing on financial assets that is not capitalized in the underlying asset and interest in arrears may also be classified here.

4. Net worth

82. Net worth is the difference between the value of all assets - produced, non-produced, and financial - and all liabilities at a particular moment in time. For this calculation, each asset and each liability is to be identified and valued separately. As the balancing item, it is calculated for institutional units and sectors and for the total economy.

83. In the case of corporations, net worth is calculated net of the market value of any outstanding equity securities. In the case of financial corporations, the net worth of pension funds includes an amount that is positive or negative if the assets of defined benefit pension funds exceed or fall short of the funds' liability for the guaranteed benefits - that is, the plans are over- or underfunded.

5. Memorandum items

84. The System calls for two memorandum items to the Balance Sheets in order to show assets not separately identified in the central framework that are of more specialized analytic interest for particular institutional sectors. These two - consumer durables and direct foreign investment - are discussed below, along with two other items that may be usefully included as memorandum items in some cases.

a. Consumer durables

85. Consumer durables - that is, durable goods used by households for final consumption - are to be included in the Balance Sheets only as memorandum items. As explained in <chapter IX, The Use of Income Account>, their inclusion in the Balance Sheet would be appropriate if the System postulated that the durables were gradually used up in production processes whose outputs consist of services. The System does not treat consumer durables in this way. The stocks of consumer durables held by households - transport equipment and other machinery and equipment - are to be valued at current prices, both gross and net of accumulated charges equivalent to consumption of fixed capital. The figures shown as memorandum items in the Balance Sheet should be net of these accumulated charges.

86. Durable goods owned by owners of unincorporated enterprises may be used partly by the enterprise for production and partly by members of the household for final consumption. The values shown in the balance sheet for the enterprise should reflect the proportion of the use that is attributable to the enterprise, but this may not be known in practice.

b. Direct foreign investment

87. Financial assets and liabilities that constitute direct investment are to be recorded under the appropriate categories listed in the classification of assets, that is, shares and other equity, loans, and other accounts receivable and payable. However, the amounts of direct investment included within each of those categories should also be recorded separately as a memorandum item.

c. Net equity of households in unfunded pension schemes

88. Unfunded occupational pension schemes, which are common in the public sector, are by definition defined benefit schemes. There is no pool of assets accumulated from which to pay benefits, however. It is recommended that the present value to households of promises by these schemes to pay future pension benefits be shown as a memorandum item in the Balance Sheets as assets of households. Liabilities of equivalent amount may also be shown as memorandum items for the employer sectors liable to pay these benefits.

d. Alternative valuations for long-term debt and corporate equity

89. Alternatives to current market values in valuing long-term bonds and corporate equity securities may be shown as memorandum items in the balance sheets for corporations. Examples of alternative valuation include nominal (face) value for long-term bonds and revalued paid-in and equivalent value for corporate equity. These valuations refer to the same date for each issue of a security and would be meaningful in the analysis of both liabilities and financial assets.

90. The nominal and redemption values of long-term bonds are usually identical; the payments to be made on redemption are financially meaningful values both to the issuers of the bonds and to the holders who intend to hold the bonds to maturity. Furthermore, the differences between the nominal values and the market values of the bonds indicate the trends in rates of interest in the market since the bonds were issued. The use of nominal values should be practical in the case of both assets and liabilities in the form of long-term bonds.

91. The revalued paid-in value of all the outstanding equity securities, excluding treasury stock, of an incorporated enterprise is the sum of the actual amounts paid for sold issues of shares and the value of their issue as dividends and bonuses, revalued in terms of the current market prices of the assets of the enterprise.

92. The use of these values for equity securities and nominal (face) values for liabilities to third parties, in combination with the market valuation of assets, results in a concept of net worth that is equivalent to the accumulated retained earnings and capital gains of the enterprises, valued in terms of current market prices of the assets. It yields figures of net worth that are indicative of the successfulness of incorporated enterprises and of their dividend policies and the role of internal financing. The relationship between the revalued paid-in values and market values of the equity securities of incorporated enterprises is also of analytical interest.

C. The Changes Between Balance Sheets Account

93. In both opening and closing Balance Sheets, assets and liabilities, as previously explained, are valued at the prices prevailing on the date to which the Balance Sheet relates. Net worth, the difference between assets and liabilities, is the balancing item. It is equivalent to the present value of the stock of economic claims a unit or a sector holds. In more detailed presentations of balance sheets, the various types of assets and liabilities are shown using the detailed classification of assets and liabilities.

94. For each element or group of assets and liabilities, changes between the opening and closing Balance Sheets result from the entries recorded in the accumulation accounts, including changes in classification of assets and

liabilities. Changes in net worth are equal to changes in assets less changes in liabilities. The Changes Between Balance Sheets Account shown in table XIII.1 summarizes these entries both by major groups of assets and liabilities and by the summary element in each of the accumulation accounts.

95. The change in the value of any individual item between the opening and closing Balance Sheets may be decomposed into the following elements:

- Changes due to transactions in the item in question - acquisitions or disposals of non-financial assets; consumption of fixed capital; the creation, transfer, or extinction of financial claims, etc.;

- Changes in the volume of assets that are not due to transactions - discoveries of assets or recognition of their value; the unanticipated destruction or disappearance of assets; changes in classification; etc.;

- Nominal holding gains/losses on assets due to changes in their prices, which may be decomposed into

  - "neutral" holding gains/losses, which are due to changes in the general price level,

  and

  - real holding gains/losses, which are due to changes in the price of the asset relative to the prices of other goods, services, or assets.

96. The Changes Between Balance Sheets Account recapitulates the total changes in assets by major group and in total liabilities and then recapitulates the changes in net worth in terms of saving and capital transfers, other changes in volume of assets and nominal holding gains/losses (subdivided between neutral and real holding gains/losses). Saving, capital transfers, other changes in volume of assets, and real holding gains/losses contribute to changes in real net worth. Neutral holding gains/losses convert real net worth to nominal general purchasing power at the end of the accounting period.

97. The Changes Between Balance Sheets Account shows the relation in the System between saving (net) and changes in net worth. Because saving is a source of changes in real net worth, it follows that all current transactions, of which saving is the final balancing item, make real net worth vary either positively (resources) or negatively (uses). Saving (net) is equal to changes in net worth less net capital transfers received, less other changes in volume of assets, less nominal holding gains/losses. Considering only changes in real net worth, saving (net) is equal to changes in real net worth less net capital transfers received, less other changes in volume of assets, and less real holding gains/losses.

98. The accounting link between the opening and closing Balance Sheets via the sequence of accumulation accounts holds at the level of an individual asset or liability or at any higher level of aggregation. The links are displayed schematically in table XIII.2, Balance Sheets and Accumulation Accounts.

99. Each row of this table refers to individual assets or groups of assets following the classification of assets and liabilities used in the System. The full classification is given in the Annex to this chapter, in which the characteristics of the various assets or liabilities are described in more detail. (The basis of this classification is type of asset; the basis of the classifications used in the accumulation accounts, however, is type of transaction, volume change, or holding gain/loss.) The last row shows the components of net worth or changes in net worth.

100. Each column of this table refers to a particular Balance Sheet or account, arranged in sequence to follow the basic accounting identity described earlier.

101. The codes recorded in the various cells of the table are the standard classification codes used in the System to identify particular kinds of transactions or other entries. They therefore indicate which kinds of transactions or other entries in the accounts may appear for the various assets and liabilities.

102. Consider, for example, the row for dwellings. The entry in the column for the Capital Account should record the value of gross fixed capital formation less consumption of fixed capital in dwellings, the other items in the Capital Account being irrelevant to this type of asset. The cell at the intersection of the row for dwellings and the column for the Financial Account must be empty. The cell at the intersection with the column for the Other Change in Volume of Assets Account might also be empty, but might well record the consequences of some happening such as an earthquake or other natural disaster. The entries at the intersection with the columns for the Revaluation Account should record the value of any holding gains/losses on dwellings due to changes in prices during the accounting period.

103. Subsoil assets provide a less familiar example. The entry in the column for the Capital Account should record the value of acquisitions and disposals, which redistribute the ownership of these assets among sectors but balance for the total economy. The cell for the Financial Account is again empty. The cell for the Other Changes in the Volume of Assets Account would record depletion of subsoil deposits and new discoveries of proven reserves, among other possible entries. The cell for the Revaluation Account should record the value of any holding gains/losses due to changes in the prices of the assets.

104. The accounting for the change in the value of other non-produced assets between opening and closing Balance Sheets is worth detailing.

For land, for example, the following elements may be involved:

- Gross fixed capital formation in the form of land improvements and consumption of fixed capital on those land improvements, both of which are recorded in the Capital Account, and acquisitions less disposals of land, which transfer land among domestic residents and also are recorded in the Capital Account;

- Economic appearance of land (for example, reclaiming land from the sea), economic disappearance (degradation and other negative quality changes resulting from economic activity), catastrophic losses, uncompensated seizures, volume changes in non-financial assets not elsewhere classified, and changes in classification and structure - all recorded in the Other Change in Volume of Assets Account;

- Neutral holding gains/losses and real holding gains/losses, recorded in the Revaluation account.

For an intangible non-produced asset, such as a patented entity, the following elements may be involved:

- Acquisitions less disposals of patented entities, which transfer these assets among sectors and the rest of the world and are recorded in the Capital Account;

- Creation (economic appearance) of patented entities, economic disappearance - that is, the exhaustion of patent protection, catastrophic losses, uncompensated seizures, volume changes in non-financial assets not elsewhere classified, and changes in classification and structure - all recorded in the Other Change in the Volume of Assets Account;

- Neutral holding gains/losses and real holding gains/losses, recorded in the revaluation account.

D. Stocks of Financial Assets and Liabilities Analysed by Sector of Debtor and Creditor

105. The Balance Sheet, as presented in table XIII.1, records the financial assets and liabilities for all institutional sectors by type of financial instrument. For each sector, the Balance Sheet shows the financial liabilities that the sector has incurred to mobilize financial resources and the financial assets that the sector has acquired. The Balance Sheet, like the Financial Account, thus presents a two-dimensional view of a sector's financial instruments and whether the sector is a creditor or a debtor. This information is very valuable in identifying the financial assets that net borrowing sectors use to finance their deficits and the assets that net

lending sectors use to allocate their surpluses, but the question of who is financing whom is not answered.

106. For a full understanding, it is often important to know more detailed financial relationships between sectors and the financial assets by which these relationships are carried out. For example, it is often important for the government to know not just what types of liabilities it has built up in financing its deficit but also which sectors (or the rest of the world) have provided the financing. For financial corporations (and those supervising them), it is important to know not only the composition of financial assets (loans and securities) that they have acquired but also which sectors these are claims upon. In addition, it is often necessary to analyse debtor/creditor relationships between sub-sectors within a sector (central government financial transactions with local governments or central bank financial transactions with depository institutions) and across sector boundaries (changes in depository institutions' claims on public non-financial corporations). Such detailed information is necessary to understand how financing has been carried out and how it has changed over time.

107. This more detailed approach is particularly important in spelling out the role that financial intermediaries play in mobilizing financial resources through certain financial transactions and making these financial resources available to other sectors in forms suitable to these sectors through maturity/asset transformation. Thus, financial corporations play a critical role in directing financial flows from net lending sectors to net borrowing sectors, allowing lenders to choose their asset instruments and borrowers their forms of indebtedness.

108. To facilitate the more detailed financial analysis just described, the System contains two tables, table XIII.3a, Stocks of Financial Assets Analysed by Sector of Debtor and Creditor, and table XIII.3b, Stocks of Financial Liabilities Analysed by Sector of Debtor and Creditor. These are the balance sheet, or stocks, versions of table XI.3a Detailed Flow of Funds - Financial Assets and table XI.3b Detailed Flow of Funds - Financial Liabilities. Table XIII.3a records assets cross-classified by type of asset and by the debtor sector. The sectors holding assets are shown horizontally across the top of the table, and the type of asset, disaggregated by sector of debtor, is arrayed vertically. Table XIII.3b records liabilities cross-classified by type of liability and by the creditor sector. The tables, as presented, identify the full sectors for households, non-profit institutions serving households, general government, and non-financial corporations. Sub-sectors are shown for the financial corporations to emphasize the special role these units play. For particular analysis or policy purposes, it may be useful to break down the other sectors into sub-sectors as well - for example, to identify financial positions of central government or of non-financial public corporations. The sector breakdown under each type of financial asset is suggestive rather than prescriptive. For securities and loans, it is suggested to identify the debtor sectors as follows: non-financial corporations, financial corporations, central government, state and local

government, other resident sectors, and the rest of the world. Alternative breakdowns are illustrated for other types of assets.

109. These tables can be used in at least three important areas related to economic policy, corresponding to the uses of their counterpart flow tables in <chapter XI, The Financial Account>: in economic analysis and description of activity and trends in current periods, as an aid to projections in the context of economic plans or to assess the effect of economic policies on the future path of the economy and in projects that undertake modelling of the economy to study economic behaviour as an aid to the formulation of economic policy. Such studies, of course, would be complementary to similar work on data from other accounts in the System.

110. Like their counterparts in <chapter XI, The Financial Account>, tables XIII.3a and XIII.3b should be interpreted as a general model, and substantial flexibility should be allowed in specific country circumstances. In many countries, the dimensions of the tables will be severely constrained by data availability. It should also be noted that these tables are extensions of the basic Balance Sheet and that adding the third dimension to the analysis can be done on a selective basis by identifying particular assets or sector (or sub-sector) relationships for which this level of detail would be useful.

CHAPTER XIII ANNEX
DEFINITIONS OF ASSETS

Classification of Assets	Definitions
Non-financial assets (AN.)	Entities over which ownership rights are enforced by institutional units, individually or collectively, and from which economic benefits may be derived by their owners by holding them, or using them over a period of time that consist of tangible assets, both produced and non-produced, and most intangible assets for which no corresponding liabilities are recorded.
Produced assets (AN.1)	Non-financial assets that have come into existences as outputs from production processes. Produced assets consist of fixed assets, inventories and valuables, as defined below.
Fixed assets (AN.11)	Produced assets that are used repeatedly or continuously in production processes for more than one year. Fixed assets consist of tangible and intangible fixed assets, as defined below.
Tangible fixed assets (AN.111)	Fixed assets that consist of dwellings; other buildings and structures; machinery and equipment and cultivated assets, as defined below.
Dwellings (AN.1111)	Buildings that are used entirely or primarily as residences, including any associated structures, such as garages, and all permanent fixtures customarily installed in residences. Houseboats, barges, mobile homes and caravans used as principal residences of households are also included, as are historic monuments identified primarily as dwellings. Costs of site clearance and preparation are also included. Examples include products included in CPC[1] class 5211, residential buildings and CPC group 387, prefabricated buildings, such as one- and two-dwelling buildings and other residential buildings intended for non-transient occupancy. Uncompleted dwellings are included to the extent that the ultimate user is deemed to have taken ownership, either because the construction is on own account or as evidenced by the existence of a contract of sale/purchase. Dwellings acquired for military personnel are included because they are used, as are dwellings acquired by civilian units, for the production of housing services.
Other buildings and structures (AN.1112)	Non-residential buildings and other structures, as defined below. Uncompleted buildings and structures are included to the extent that the ultimate user is deemed to have taken ownership, either because the construction is on own account or as evidenced by the existence of a contract of sale/purchase. Buildings and structures acquired for

Classification of Assets	Definitions
	military purposes are included to the extent that they resemble civilian buildings acquired for purposes of production and are used in the same way.
Non-residential buildings (AN.11121)	Buildings other than dwellings, including fixtures, facilities and equipment that are integral parts of the structures and costs of site clearance and preparation. Historic monuments identified primarily as non-residential buildings are also included. Examples include products included in CPC class 5212, non-residential buildings, such as warehouse and industrial buildings, commercial buildings, buildings for public entertainment, hotels, restaurants, educational buildings, health buildings, etc.
Other structures (AN.11122)	Structures other than buildings, including the cost of the streets, sewers and site clearance and preparation other than for residential or non- residential buildings. Also included are historic monuments for which identification as dwellings or non-residential buildings is not possible and shafts, tunnels and other structures associated with mining subsoil assets. (Major improvements to land, such as dams and dikes for flood control, are included in the value of land.) Examples include products included in CPC group 522, civil engineering works, such as highways, streets, roads, railways and airfield runways; bridges, elevated highways, tunnels and subways; waterways, harbours, dams and other waterworks; long distance pipelines, communication and power lines; local pipelines and cables, ancillary works; constructions for mining and manufacture; and constructions for sport and recreation.
Machinery and equipment (AN.1113)	Transport equipment and other machinery and equipment, as defined below other than that acquired by households for final consumption. Tools that are relatively inexpensive and purchased at a relatively steady rate, such as hand tools, may be excluded. Also excluded is machinery and equipment integral to buildings that is included in dwellings and non-residential buildings. Uncompleted machinery and equipment is included to the extent that the ultimate user is deemed to have taken ownership, either because the production is on own account or as evidenced by the existence of a contract of sale/purchase. Machinery and equipment acquired for military purposes is included to the extent that it resembles

Classification of Assets	Definitions
	goods acquired by civilian units for purposes of production and that the military uses in the same way. Machinery and equipment acquired by households for final consumption is not treated as an asset. It is instead included in the memorandum item "consumer durables" in the balance sheet for households. Houseboats, barges, mobile homes and caravans used by households as principal residences are included in dwellings.
Transport equipment (AN.11131)	Equipment for moving people and objects. Examples include products other than parts included in CPC division 49, transport equipment, such as motor vehicles, trailers and semitrailers; ships; railway and tramway locomotives and rolling stock; aircraft and spacecraft; and motorcycles, bicycles, etc.
Other machinery and equipment (AN.11132)	Machinery and equipment not elsewhere classified. Examples include products other than parts included in CPC divisions 43, general purpose machinery; 44, special purpose machinery; 45, office, accounting and computing equipment, 46, electrical machinery and apparatus, 47, radio, television and communication equipment and apparatus; and 48, medical appliances, precision and optical instruments, watches and clocks. Other examples are products other than parts included in CPC groups 337, fuel elements (cartridges) for nuclear reactors; 381, furniture; 383, musical instruments; 384, sports goods; and 423, steam generators except central heating boilers.
Cultivated assets (AN.1114)	Livestock for breeding, dairy, draught, etc. and vineyards, orchards and other plantations of trees yielding repeat products that are under the direct control, responsibility and management of institutional units, as defined below. Immature cultivated assets are included to the extent that the ultimate user is deemed to have taken ownership, either because the production is on own account or as evidenced by the existence of a contract of sale/purchase.
Livestock for breeding, dairy, draught, etc. (AN.11141)	Livestock that are cultivated for the products they provide year after year. They include breeding stocks (including fish and poultry), dairy cattle, draught animals, sheep or other animals used for wool production and animals used for transportation, racing or entertainment.
Vineyards, orchards and other	Trees (including vines and shrubs) cultivated for products they yield year after year, including those

Classification of Assets	Definitions
plantations of trees yielding repeat products (AN.11142)	cultivated for fruits and nuts, for sap and resin and for bark and leaf products.
Intangible fixed assets (AN.112)	Fixed assets that consist of mineral exploration, computer software, entertainment, literary or artistic originals and other intangible fixed assets, as defined below, intended to be used for more than one year.
Mineral exploration (AN.1121)	The value of expenditures on exploration for petroleum and natural gas and for non-petroleum deposits. These expenditures include prelicense costs, license and acquisition costs, appraisal costs and the costs of actual test drilling and boring, as well as the costs of aerial and other surveys, transportation costs, etc., incurred to make it possible to carry out the tests.
Computer software (AN.1122)	Computer programs, program descriptions and supporting materials for both systems and applications software. Included are purchased software and software developed on own account, if the expenditure is large. Large expenditures on the purchase, development or extension of computer databases that are expected to be used for more than one year, whether marketed or not, are also included.
Entertainment, literary or artistic originals (AN.1123)	Original films, sound recordings, manuscripts, renderings, models, etc., on which drama performances, radio and television programming, musical performances, sporting events, literary and artistic output, etc., are recorded or embodied. Included are works produced on own account. In some cases, such as films, there may be multiple originals.
Other intangible fixed assets (AN.1129)	New information, specialized knowledge, etc., not elsewhere classified, whose use in production is restricted to the units that have established ownership rights over them or to other units licensed by the latter.
Inventories (AN.12)	Produced assets that consist of goods and services that came into existence in the current period or in an earlier period held for sale or use in production in a later period. They consist of materials and supplies, work in progress, finished goods and goods for resale, as defined below. Included are all inventories held by government, including, but not limited to, inventories of strategic materials, grains and other commodities of special importance to the nation.
Materials and supplies (AN.121)	Goods that their owners intend to use as intermediate inputs in their own production processes, not to resell.

Classification of Assets	Definitions
Work in progress (AN.122)	Goods and services that are partially completed but that are not usually turned over to other units without further processing or that are not mature and whose production process will be continued in a subsequent period by the same producer. Excluded are partially completed goods and services for which the ultimate owner is deemed to have taken ownership, either because the production is on own account or as evidenced by the existence of a contract of sale/purchase. They consist of work in progress on cultivated assets and other work in progress, as defined below.
Work in progress on cultivated assets (AN.1221)	Livestock raised for products yielded only on slaughter, such as fowl and fish raised commercially, trees and other vegetation yielding once-only products on destruction and immature cultivated assets yielding repeat products.
Other work in progress (AN.1222)	Goods other than cultivated assets and services that have been partially processed, fabricated or assembled by the producer but that are not usually sold, shipped or turned over to others without further processing.
Finished goods (AN.123)	Goods that are ready for sale or shipment by the producer, including goods usually sold by the producer in the same form as when purchased.
Goods for resale (AN.124)	Goods acquired by enterprises, such as to wholesalers and retailers, for the purpose of reselling them without further processing (that is, not transformed other than by presenting them in ways that are attractive to the customer).
Valuables (AN.13)	Produced assets that are not used primarily for production or consumption, that are expected to appreciate or at least not to decline in real value, that do not deteriorate over time and that are acquired and held primarily as stores of value. Valuables consist of precious metals and stones, antiques and other art objects and other valuables, as defined below.
Precious metals and stones (AN.131)	Precious metals and stones that are not held by enterprises for use as inputs into processes of production.
Antiques and other art objects (AN.132)	Paintings, sculptures, etc., recognized as works of art and antiques.
Other valuables (AN.139)	Valuables not elsewhere classified, such as collections and jewellery of significant value fashioned out of precious stones and metals.
Non-produced assets (AN.2)	Non-financial assets that come into existence other than through processes of production. Non-produced assets consist of tangible assets and intangible assets, as defined below. Also included are

Classification of Assets	Definitions
	costs of ownership transfer on and major improvements to these assets.
Tangible non-produced assets (AN.21)	Non-produced assets that occur in nature and over which ownership may be enforced and transferred. Environmental assets over which ownership rights have not, or cannot, be enforced, such as seas or air, are excluded. Tangible non-produced assets consist of land, subsoil assets, non-cultivated biological resources and water resources, as defined below.
Land (AN.211)	The ground, including the covering soil and any associated surface waters, over which ownership rights are enforced. Also included are major improvements that cannot be physically separated from the land itself. Excluded are any buildings or other man-made structures situated on it or running through it; cultivated crops, trees and livestock; subsoil assets; non-cultivated biological resources and water resources. Land consists of land underlying buildings and structures, land under cultivation, recreational land and associated surface water and other land and associated surface water, as defined below.
Land underlying buildings and structures (AN.2111)	Land on which dwellings, non-residential buildings and structures are constructed or into which their foundations are dug, including yards and gardens deemed an integral part of farm and non-farm dwellings and access roads to farms.
Land under cultivation (AN.2112)	Land on which agricultural or horticultural production is carried on for commercial or subsistence purposes, including, in principle, land under plantations, orchards and vineyards.
Recreational land and associated surface water (AN.2113)	Land that is used as privately owned amenity land, parklands and pleasure grounds and publicly owned parks and recreational areas, together with associated surface water.
Other land and associated surface water (AN.2119)	Land not elsewhere classified, including private gardens and plots not cultivated for subsistence or commercial purposes, communal grazing land, land surrounding dwellings in excess of those yards and gardens deemed an integral part of farm and non-farm dwellings and associated surface water.
Subsoil assets (AN.212)	Proven reserves of mineral deposits located on or below the earth's surface that are economically exploitable, given current technology and relative prices. Ownership rights to the subsoil assets are usually separable from those to the land itself. Subsoil assets consist of coal, oil and natural gas

Classification of Assets	Definitions
	reserves, metallic mineral reserves and non-metallic mineral reserves, as defined below.
Coal, oil and natural gas reserves (AN.2121)	Anthracite, bituminous and brown coal deposits; petroleum and natural gas reserves and fields.
Metallic mineral reserves (AN.2122)	Ferrous, non-ferrous and precious metal ore deposits.
Non-metallic mineral reserves (AN.2123)	Stone quarries and clay and sand pits; chemical and fertilizer mineral deposits; salt deposits; deposits of quartz, gypsum, natural gem stones, asphalt and bitumen, peat and other non-metallic minerals other than coal and petroleum.
Non-cultivated biological resources (AN.213)	Animals and plants that yield both once-only and repeat products over which ownership rights are enforced but for which natural growth and/or regeneration is not under the direct control, responsibility and management of institutional units. Examples are virgin forests and fisheries within the territory of the country. Only those resources that are currently, or are likely soon to be, exploitable for economic purposes should be included.
Water resources (AN.214)	Aquifers and other groundwater resources to the extent that their scarcity leads to the enforcement of ownership and/or use rights, market valuation and some measure of economic control.
Intangible non-produced assets (AN.22)	Non-produced assets that are constructs of society. They are evidenced by legal or accounting actions, such as the granting of a patent or the conveyance of some economic benefit to a third party. Some entitle their owners to engage in certain specific activities and to exclude other institutional units from doing so except with the permission of the owner. Intangible non-produced assets consist of patented entities, leases and other transferable contracts, purchased goodwill and other intangible non-produced assets.
Patented entities (AN.221)	Inventions in categories of technical novelty that, by law or by judicial decision, can be afforded patent protection. Examples include constitutions of matter, processes, mechanisms, electrical and electronic circuits and devices, pharmaceutical formulations and new varieties of living things produced by artifice.

Classification of Assets	Definitions
Leases and other transferable contracts (AN.222)	Leases or contracts where the lessee has the right to convey the lease to a third party independently of the lessor. Examples include leases of land and buildings and other structures, concessions or exclusive rights to exploit mineral deposits or fishing grounds, transferable contracts with athletes and authors and options to buy tangible assets not yet produced. Leases on the rental of machinery are excluded from non-financial intangible assets.
Purchased goodwill (AN.223)	The difference between the value paid for an enterprise as a going concern and the sum of its assets less the sum of its liabilities, each item of which has been separately identified and valued. The value of goodwill, therefore, includes anything of long-term benefit to the business that has not been separately identified as an asset, as well as the value of the fact that the group of assets is used jointly and is not simply a collection of separable assets.
Other intangible non-produced assets (AN.229)	Intangible non-produced assets not elsewhere classified.

Classification of Assets	Definitions
Financial assets (AF.)	Entities over which ownership rights are enforced by institutional units, individually or collectively, and from which economic benefits may be derived by their owners by holding them, or using them over a period of time differing, except for monetary gold and Special drawing rights, from other assets in the System in that there is a counterpart liability on the part of another institutional unit. Except when the context requires, the term "financial assets" should be read to include liabilities.
Monetary gold and SDRs (AF.1)	Financial assets for which there is no corresponding financial liability. These are monetary gold and special drawing rights issued by the International Monetary Fund, as defined below. Monetary gold: Gold owned by the monetary authorities or others subject to their effective control that is held as a financial asset and as a component of foreign reserves. Other gold held by any entity (including non-reserve gold held by the monetary authorities and all gold held by financial institutions other than the central bank) is treated as a commodity, either inventories or valuables. Special drawing rights: International reserve assets created by the International Monetary Fund and allocated to its members to supplement existing reserve assets. They are held exclusively by official holders, which are normally central banks.
Currency and deposits (AF.2)	Financial assets that are used to make payments or that may be included in money, broadly defined, consisting of currency, transferable deposits and other deposits, as defined below. Distinctions may be drawn according to, for currency and for deposits, whether they are denominated in national currency or in foreign currencies, and, for deposits, whether they are liabilities of resident institutions or the rest of the world.
Currency (AF.21)	Notes and coin in circulation that are commonly used to make payments. (Commemorative coins that are not actually in circulation should be excluded.)
Transferable deposits (AF.22)	Deposits that are (a) exchangeable on demand at par, without penalty or restriction; (b) freely transferable by check or giro-order and (c) otherwise commonly used to make payments.

Classification of Assets	Definitions
Other deposits (AF.29)	Claims, other than transferable deposits, on the central bank, other depository institutions, government units and, in some cases, other institutional units that are represented by evidence of deposit. Examples include non-transferable savings deposits, term deposits and non-transferable deposits denominated in foreign currencies. Also included are shares or similar evidence of deposit issued by savings and loan associations, building societies, credit unions and the like; claims on the International Monetary Fund that are components of international reserves, other than those evidenced by loans; margin payments related to options or futures contracts and overnight and very short-term repurchase agreements that are considered part of national broad money definitions.
Securities other than shares (AF.3)	Financial assets that are normally traded in the financial markets and that give the holders the unconditional right to receive stated fixed sums on a specified date (such as bills) or the unconditional right to fixed money incomes or contractually determined variable money incomes (bonds and debentures). With the exception of perpetual bonds, bonds and debentures also give holders the unconditional right to fixed sums as repayments of principal on a specified date or dates. Examples include securities such as bills, bonds, debentures, tradable financial derivatives, negotiable certificates of deposit, bankers' acceptances, commercial paper, negotiable securities backed by loans or other assets, preferred stocks or shares that pay a fixed income but do not provide for participation in the residual earnings or value of a corporation and bonds that are convertible into shares. Securities other than shares may be subdivided between short-term and long-term, as defined below.
Short-term (AF.31)	Securities other than shares that have an original maturity of one year or less but with a maximum of two years or less to accommodate variations in practice between countries. Securities with a maturity of one year or less should be classified as short-term even if they are issued under long-term facilities such as note issuance facilities.
Long-term (AF.32)	Securities other than shares that have an original maturity of more than one year; however, to accommodate variations in practice between countries, long-term may be defined to include an original maturity in excess of two years. Claims with optional maturity dates, the latest of which is more than one year away, and claims with indefinite maturity dates should be classified as long-term.

Classification of Assets	Definitions
Loans (AF.4)	Financial assets that are created when creditors lend funds directly to debtors, that are evidenced by non-negotiable documents, or for which the lender receives no security evidencing the transaction. Included are instalment loans, hire-purchase credit, loans to finance trade credit, claims on the International Monetary Fund evidenced by loans, repurchase agreements not included in national broad money definitions and financial leases and similar arrangements. Loans may be subdivided between short-term and long-term, as defined below.
Short-term (AF.41)	Loans that have an original maturity normally of one year or less, but with a maximum of two years or less to accommodate variations in practice between countries. All loans repayable on demand should be classified as short term even when these loans are expected to be outstanding for more than one year.
Long-term (AF.42)	Loans that have an original maturity normally of more than one year, except that, to accommodate variations in practice between countries, long term may be defined to require an original maturity in excess of two years. It may also be useful to distinguish loans secured by mortgages from other long-term loans.
Shares and other equity (AF.5)	Financial assets that are instruments and records acknowledging, after the claims of all creditors have been met, claims to the residual value of incorporated enterprises. Equity securities do not provide the right to a pre-determined income or to a fixed sum on dissolution of the incorporated enterprise. Ownership of equity is usually evidenced by shares, stocks, participation, or similar documents. Preferred stocks or shares, which also provide for participation in the distribution of the residual value on dissolution of an incorporated enterprise, are cluded. Proprietors' net equity in quasi-corporate enterprises is one of the components of shares and other equity, although it is not distinguished as a separate category in the classification.
Insurance technical reserves (AF.6)	Financial assets that are reserves against outstanding risks, reserves for with-profit insurance, prepayments of premiums and reserves against outstanding claims. Insurance technical reserves may be liabilities not only of life or non-life insurance enterprises (whether mutual or incorporated) but also of autonomous pension funds, which are included in the insurance enterprise sub-sector. Insurance technical reserves are subdivided between net equity of households on life insurance reserves and on pension funds and prepayments of premiums and reserves against outstanding claims, as defined below.

Classification of Assets	Definitions
Net equity of households on life insurance reserves and on pension funds (AF.61)	Reserves held against life insurance and annuity policies by insurance enterprises, whether mutual or incorporated, and by pension funds. These reserves are considered to be assets of the policy holders and not of the institutional units that manage them. Life insurance and pension fund reserves consist of reserves against outstanding risks and reserves for with-profits insurance that add to the value on maturity of with-profit endowment or similar policy.
Prepayment of premiums and reserves against outstanding claims (AF.62)	Reserves in the form of prepayments of premiums result from the fact that, in general, insurance premiums are paid in advance. Such reserves are assets of the policy holders. Reserves against outstanding claims are reserves that insurance enterprises hold in order to cover the amounts they expect to pay out in respect of claims that are not yet settled or claims that may be disputed. Reserves against outstanding claims are considered to be assets of the beneficiaries.
Other accounts receivable/payable (AF.7)	Financial assets consisting of trade credit and advances and other items due to be received or paid, as defined below.
Trade credits and advances (AF.71)	Trade credit for goods and services extended directly to corporations, to government, to non-profit institutions, to households and to the rest of the world and also advances for work that is in progress (if classified as such under inventories) or is to be undertaken.
Other (AF.79)	Accounts receivable and payable, other than those described previously (e.g., in respect of taxes, dividends, purchases and sales of securities, rent, wages and salaries and social contributions that are due or paid). Interest accruing that is not capitalized in the underlying asset and interest in arrears may be included.

Classification of Assets	Definitions
Memorandum items	The System calls for several memorandum items to show assets not separately identified in the central framework that are of more specialized analytic interest.
Consumer durables (AN.m)	Durable goods acquired by households for final consumption (i.e., those that are not used by households as stores of value or by unincorporated enterprises owned by households for purposes of production).
Direct foreign investment (AF.m)	Financial assets and liabilities arising from the provision of, or receipt of, direct foreign investment are to be recorded under the appropriate categories listed above, i.e., shares and other equity, loans and other accounts receivable and payable. However, the amounts of direct foreign investment included within each of those categories should also be recorded separately as memorandum items.

1. Note: CPC Central Product Classification. (United Nations, Provisional Central Product Classification, 1991.)

TABLE 'ZTII.1 ACCOUNT IV: BALANCE SHEETS

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ASSETS									LIABILITIES AND NET WORTH						
ACCOUNTS	S.1 TOTAL ECONOMY	S.15 NON PROFIT INSTITUTIONS SERVING HOUSEHOLDS	S.14 HOUSEHOLDS	S.13 GENERAL GOVERNMENT	S.12 FINANCIAL CORPORATIONS	S.11 NON-FINANCIAL CORPORATIONS	TRANSACTIONS AND BALANCING ITEMS		S.11 NON-FINANCIAL CORPORATIONS	S.12 FINANCIAL CORPORATIONS	S.13 GENERAL GOVERNMENT	S.14 HOUSEHOLDS	S.15 NON PROFIT INSTITUTIONS SERVING HOUSEHOLDS	S.1 TOTAL ECONOMY	ACCOUNTS
IV.1 OPENING BALANCE SHEET							AN.	Non-financial assets							IV.1 OPENING BALANCE SHEET
							AN.1	Produced assets							
							AN.2	Non-produced assets							
							AF.	Financial assets							
							AF.	Liabilities							
							B.90	NET WORTH							
IV.2 CHANGES BETWEEN BALANCE SHEETS							AF.	Total changes in assets							IV.2 CHANGES BETWEEN BALANCE SHEETS
							AF.	Non-financial assets							
							AN.1	Produced assets							
							AN.2	Non-produced assets							
							AF.	Financial assets							
							AF.	Total changes in liabilities							
							B.10	CHANGES IN NET WORTH, TOTAL							
							B.10.1	SAVING AND CAPITAL TRANSFERS							
							B.10.2	OTHER CHANGES IN VOLUME OF ASSETS							
							B.10.3	NOMINAL HOLDING GAINS/LOSSES							
							B.10.31	Neutral holding gains/losses							
							B.10.32	Real holding gains/losses							
IV.3 CLOSING BALANCE SHEET							AN.	Non-financial assets							IV.3 CLOSING BALANCE SHEET
							AN.1	Produced assets							
							AN.2	Non-produced assets							
							AF.	Financial assets							
							AF.	Liabilities							
							B.90	NET WORTH							

Table XIII.2 Balance Sheets and Accumulation Accounts
[A Map of Entries from Opening Balance Sheet to Closing Balance Sheet]

Classification of Assets, Liabilities, and Net Worth	IV.1 Opening Balance Sheet	III.1 Capital Account	III.2 Financial Account	III.3.1 Other Changes in Volume of Assets Account	III.3.2 Revaluation Account		IV.3 Closing Balance Sheet
					III.3.2.1 Neutral Holding Gains and Losses	III.3.2.2 Real Holding Gains and Losses	
Non-financial assets	AN.	P.5, K.1, K.2	....	K.3, K.4, K.5, K.6, K.7, K.8, K.9, K.12.1, K.12.22	K.11.1	K.11.2	AN.
Produced assets	AN.1	P.5, K.1	....	K.4, K.7, K.8, K.9, K.12.1, K.12.22	K.11.1	K.11.2	AN.1
Fixed assets 1/	AN.11	P.51, K.1	....	K.4, K.7, K.8, K.9, K.12.1, K.12.22	K.11.1	K.11.2	AN.11
Tangible fixed assets	AN.111	P.511, K.1	....	K.4, K.7, K.8, K.9, K.12.1, K.12.22	K.11.1	K.11.2	AN.111
Dwellings	AN.1111	P.511, K.1	....	K.4, K.7, K.8, K.9, K.12.1, K.12.22	K.11.1	K.11.2	AN.1111
Other buildings and structures	AN.1112	P.511, K.1	....	K.4, K.7, K.8, K.9, K.12.1, K.12.22	K.11.1	K.11.2	AN.1112
Machinery and equipment	AN.1113	P.511, K.1	....	K.7, K.8, K.9, K.12.1, K.12.22	K.11.1	K.11.2	AN.1113
Cultivated assets	AN.1114	P.511, K.1	....	K.7, K.8, K.9, K.12.1, K.12.22	K.11.1	K.11.2	AN.1114
Intangible fixed assets	AN.112	P.512, K.1	....	K.7, K.8, K.9, K.12.1, K.12.22	K.11.1	K.11.2	AN.112
Inventories	AN.12	P.52	....	K.7, K.8, K.9, K.12.1, K.12.22	K.11.1	K.11.2	AN.12
Valuables	AN.13	P.53	....	K.4, K.7, K.8, K.9, K.12.1, K.12.22	K.11.1	K.11.2	AN.13
Non-produced assets	AN.2	K.2, P.513, K.1	....	K.3, K.5, K.61, K.62, K.7, K.8, K.9, K.12.1, K.12.22	K.11.1	K.11.2	AN.2

1/ Memorandum item An.m Consumer durables.

Table XIII.2 Balance Sheets and Accumulation Accounts—Continued
[A Map of Entries from Opening Balance Sheet to Closing Balance Sheet]

Classification of Assets, Liabilities, and Net Worth	IV.1 Opening Balance Sheet	III.1 Capital Account	III.2 Financial Account	III.3.1 Other Changes in Volume of Assets Account	III.3.2 Revaluation Account		IV.3 Closing Balance Sheet
					III.3.2.1 Neutral Holding Gains and Losses	III.3.2.2 Real Holding Gains and Losses	
Tangible non-produced assets	AN.21	K.21, P.513, K.1	....	K.3, K.5, K.61, K.62, K.7, K.8, K.9, K.12.1, K.12.22	K.11.1	K.11.2	AN.21
Land	AN.211	K.21, P.513, K.1	....	K.3, K.62, K.7, K.8, K.9, K.12.1, K.12.22	K.11.1	K.11.2	AN.211
Subsoil assets	AN.212	K.21, P.513	....	K.3, K.61, K.62, K.7, K.8, K.9, K.12.1, K.12.22	K.11.1	K.11.2	AN.212
Non-cultivated biological resources	AN.213	K.21, P.513	....	K.3, K.5, K.61, K.62, K.7, K.8, K.9, K.12.1, K.12.22	K.11.1	K.11.2	AN.213
Water resources	AN.214	K.21, P.513	....	K.3, K.61, K.62, K.7, K.8, K.9, K.12.1, K.12.22	K.11.1	K.11.2	AN.214
Intangible non-produced assets	AN.22	K.22, P.513	....	K.3, K.62, K.7, K.8, K.9, K.12.1, K.12.22	K.11.1	K.11.2	AN.22
Financial assets/liabilities 2/	AF.	....	F.	K.7, K.8, K.10, K.12.1, K.12.21, K.12.22	K.11.1	K.11.2	AF.
Monetary gold and SDRs (assets only)	AF.1	....	F.1	K.7, K.8, K.10, K.12.1, K.12.21, K.12.22	K.11.1	K.11.2	AF.1
Currency and deposits 3/	AF.2	....	F.2	K.7, K.8, K.10, K.12.1, K.12.22	K.11.1	K.11.2	AF.2
Securities other than shares	AF.3	....	F.3	K.7, K.8, K.10, K.12.1, K.12.22	K.11.1	K.11.2	AF.3
Loans	AF.4	....	F.4	K.7, K.8, K.10, K.12.1, K.12.22	K.11.1	K.11.2	AF.4

2/ Memorandum item AF.m Direct foreign investment.

3/ Memorandum items: m11 Denominated in national currency; m12 Denominated in foreign currency; m21 Liability of resident institutions; and m22 Liability of the rest of the world.

Table XIII.2 Balance Sheets and Accumulation Accounts—Continued
(A Map of Entries from Opening Balance Sheet to Closing Balance Sheet)

Classification of Assets, Liabilities, and Net Worth	IV.1 Opening Balance Sheet	III.1 Capital Account	III.2 Financial Account	III.3.1 Other Changes in Volume of Assets Account	III.3.2 Revaluation Account		IV.3 Closing Balance Sheet
					III.3.2.1 Neutral Holding Gains and Losses	III.3.2.2 Real Holding Gains and Losses	
Shares and other equity	AF.5	....	F.5	K.7, K.8, K.10, K.12.1, K.12.22	K.11.1	K.11.2	AF.5
Insurance technical reserves	AF.6	....	F.6	K.7, K.8, K.10, K.12.1, K.12.22	K.11.1	K.11.2	AF.6
Other accounts receivable/payable	AF.7	....	F.7	K.7, K.8, K.10, K.12.1, K.12.22	K.11.1	K.11.2	AF.7
Net Worth	B.90	B.10.1	B.10.1	B.10.2	B.10.31	B.10.32	B.90

Table XIII.2 Balance Sheets and Accumulation Accounts—Continued

[A Map of Entries from Opening Balance Sheet to Closing Balance Sheet]

AN. ..., AF. ... are from Classification of assets.

Balancing items

B.10.1	Changes in net worth due to saving and net capital transfers
B.10.2	Changes in net worth due to other changes in volume of assets
B.10.31	Changes in net worth due to neutral holding gains/losses
B.10.32	Changes in net worth due to real holding gains/losses
B.90	Net worth

Transactions in financial instruments

F.	Transactions in financial instruments
F.1	Monetary gold and SDRs
F.2	Currency and deposits
F.3	Securities other than shares
F.4	Loans
F.5	Shares and other equity
F.6	Insurance technical reserves
F.7	Other accounts receivable/payable

Transactions in goods and services

P.5	Gross capital formation
P.51	Gross fixed capital formation
P.511	Acquisitions less disposals of tangible fixed assets
P.512	Acquisitions less disposals of intangible fixed assets
P.513	Additions to the value of non-produced non-financial assets
P.52	Changes in inventories
P.53	Acquisitions less disposals of valuables

Other accumulation entries

K.1	Consumption of fixed capital
K.2	Acquisitions less disposals of non-produced non-financial assets
K.21	Acquisitions less disposals of land and other tangible non-produced assets
K.22	Acquisitions less disposals of intangible non-produced assets
K.3	Economic appearance of non-produced assets
K.4	Economic appearance of produced assets
K.5	Natural growth of non-cultivated biological resources
K.61	Depletion of natural assets
K.62	Other economic disappearance of non-produced assets
K.7	Catastrophic losses
K.8	Uncompensated seizures
K.9	Other volume changes in non-financial assets n.e.c.
K.10	Other volume changes in financial assets and liabilities n.e.c.
K.11	Nominal holding gains/losses
K.11.1	Neutral holding gains/losses
K.11.2	Real holding gains/losses
K.12	Changes in classifications and structure
K.12.1	Changes in sector classification and structure
K.12.21	Monetization/demonetization of gold
K.12.22	Changes other than monetization/demonetization of gold in classifications of assets or liabilities

XII.3a Stocks of Financial Assets Analysed by Sector of Debtor and Creditor

Financial assets of:												
The Rest of the World	Households	Nonprofit Institutions Serving Households	General Government	Nonfinancial Corporations	Financial Corporations						Total	Type of claim and debtor
					Central bank	Other Deposit Ins		Other financial intermediaries	Financial auxiliaries	Insurance corporations and pension funds		
						Deposit money inst.	Other deposit accepting					
(12)	(11)	(10)	(9)	(8)	(7)	(6)	(5)	(4)	(3)	(2)	(1)	Item
												1 Monetary Gold and SDRs
												2 Currency and deposits
												a Currency
												i. National
												– Residents
												– Non-residents
												ii. Foreign
												– Residents
												b. Transferable deposits
												i. in national currency
												– Residents
												– Non-residents
												ii. foreign currency
												– Residents
												– Non-residents
												c. Other deposits
												i. in national currency
												– Residents
												– Non-residents
												ii. foreign currency
												– Residents
												– Non-residents
												3 Securities other than shares
												a Short-term
												i. Non-financial corporations
												ii Financial corporations
												iii. Central Government
												iv. State and local govts
												v. Other resident sectors
												vi. The rest of the world
												b. long-term
												i. Non-financial corporations
												ii Financial corporations
												iii Central Government
												iv. State and local govts
												v. Other resident sectors
												vi. The rest of the world
												4 Loans
												a Short-term
												i. Non-financial corporations
												ii Financial corporations
												iii Central Government
												iv. State and local govts
												v. Other resident sectors
												vi. The rest of the world
												b. long-term
												i. Non-financial corporations
												ii Financial corporations
												iii Central Government
												iv. State and local govts
												v. Other resident sectors
												vi. The rest of the world
												5 Shares and other equity
												a Resident enterprises
												i. Quoted
												ii Not quoted
												b. Non-resident enterprise
												i. Quoted
												ii Not quoted
												6 Insurance technical reserves
												6.1 Net equity of households on life insurance reserves and on pension funds
												6.2 Prepayments of premiums and reserves against outstanding claims
												7 Other accounts receivable and payable
												7.1 Trade credit and advances
												a Non-financial corporations
												b Households
												c Central government
												d. State and local govt
												e Other resident sectors
												f The rest of the world
												7.2 Other
												a Resident sectors
												b The rest of the world
												Memorandum items
												Direct investment
												Equity
												Loans
												Other

XIII.3b Stocks of Financial Liabilities Analysed by Sector of Debtor and creditor

Financial liabilities of												
The Rest of the World	Households	Nonprofit Institutions Serving Households	General Government	Nonfinancial Corporations	Financial Corporations						Total	Type of claim and creditor
					Central bank	Other Deposit Ins.		Other financial inter-mediaries	Financial auxi-liaries	Insurance corpora-tions and Pension funds		
						Deposit money inst	Other deposit accepting					
(12)	(11)	(10)	(9	(8	(7	(6	(5	(4	(3	(2	(1)	Item
												2. Currency and deposits
												a. Currency
												i. National
												- Residents
												- Non-residents
												ii. Foreign
												- Residents
												b. Transferable deposits
												i. In national currency
												- Residents
												- Non-residents
												ii. foreign currency
												- Residents
												- Non-residents
												c. Other deposits
												i. In national currency
												- Residents
												- Non-residents
												ii. foreign currency
												- Residents
												- Non-residents
												3. Securities other than shares
												a. Short-term
												i. Non-financial corporations
												ii. Financial corporations
												iii. Central Government
												iv. State and local govts
												v. Other resident sectors
												vi. The rest of the world
												b. long-term
												i. Non-financial corporations
												ii. Financial corporations
												iii. Central Government
												iv. State and local govts.
												v. Other resident sectors
												vi. The rest of the world
												4. Loans
												a. Short-term
												i. Non-financial corporations
												ii. Financial corporations
												iii. Central Government
												iv. State and local govts.
												v. Other resident sectors
												vi. The rest of the world
												b. long-term
												i. Non-financial corporations
												ii. Financial corporations
												iii. Central Government
												iv. State and local govts
												v. Other resident sectors
												vi. The rest of the world
												5. Shares and other equity
												a. Resident enterprises
												i. Quoted
												ii. Not quoted
												b. Non-resident enterprises
												i. Quoted
												ii. Not quoted
												6. Insurance technical reserves
												6.1 Net equity of households on life insurance reserves and on pension funds
												6.2 Prepayments of premiums and reserves against outstanding claims
												7. Other accounts receivable and payable
												7.1 Trade credit and advances
												a. Non-financial corporations
												b. Households
												c. Central government
												d. State and local govt
												e. Other resident sectors
												f. The rest of the world
												7.2 Other
												a. Resident sectors
												b. The rest of the world
												Memorandum items:
												Direct investment
												Equity
												Loans
												Other